STATE OF VERMONT AGENCY OF HUMAN SERVICES

SOCIAL WELFARE

BULLETIN NO. 00-11F

FROM	Eileen I. Elliott, Commissioner for the Secretary		DATE
SUBJECT	Change to Food Stamp Earned Income Reporting Requirements		
CHANGES ADOPTED EFFECTIVE 8/1/00		INSTRUCTIONS	
			Maintain Manual - See instructions below.
		<u>X</u>	Proposed Regulation - Retain bulletin and attachments until you receive Manual Maintenance Bulletin Information or Instructions - Retain until

MANUAL REFERENCE(S)

273.12a 1

This bulletin changes the earned income reporting requirements for food stamp households, simplifies policy by eliminating references to federal options that Vermont has not chosen, and clarifies language without changing policy.

Earned Income Reporting Requirements

Federal regulations require a household to report any change in earned income of \$25 or more to the department. This requirement has been difficult for household members with fluctuating earned incomes to understand and comply with, which has caused errors in the amount of food stamp benefits households received.

To address this difficulty, the department modified this requirement in April 1999 under the authority of a federal waiver. Households now report changes in earned income only if there is a new source or a change in source of income, a change in the hourly wage or salary rate, or a change of more than five hours of work per week expected to continue for more than a month. These reporting requirements are easier for households with fluctuating income to comply with, but the requirement to report any change of more than five hours of work per week expected to last a month is still confusing to program participants.

The federal Food and Nutrition Service (FNS) is now offering states waiver approval of a modified requirement to report earned income almost identical to Vermont's modified requirement. Under the FNS modification, households would report changes from part-time hours to full-time hours and vice versa, instead of reporting changes of more than five hours of work per week expected to last a month. States may define the number of hours considered full-time for this purpose.

This bulletin requires households to report increases to 40 or more regularly scheduled hours of work per week and decreases to fewer than 40 regularly scheduled hours, instead of changes of more than five hours of work per week expected to last a month. The department believes that this change will simplify change reporting for food stamp households with fluctuating earnings and increase the accuracy of food stamp benefits to Vermont households.

FNS approved Vermont's waiver request on May 1, 2000.

New Approach to Vermont's Food Stamp Policy

The language, organization, and content of the department's food stamp policy follows that of the Code of Federal Regulations. This approach to Vermont's policy was instituted about 20 years ago, when states were required to follow the letter of federal food stamp rules with little opportunity for state flexibility. During recent years, however, the federal government has made more food stamp options available to states. Accordingly, the department has re-examined its approach to developing food stamp policy and believes that its policy would be more comprehensible, concise, and easy to use if the language and organization followed Vermont requirements instead of the federal rules. As a first step in the reorganization of Vermont's food stamp policy, this bulletin eliminates several sections not applicable to Vermont and rewrites sections to improve clarity without changing content.

Specific policy changes include:

273.12a 1 Details the requirements to report changes in earned and unearned income. Incorporates the PP&D of April 1, 1999, including the clarification of reporting household members' combined changes in unearned income totaling more than \$25.

Adds the requirement to report a change when a job increases to 40 or more regularly scheduled hours of work per week or decreases to fewer than 40 regularly scheduled hours.

Without changing policy content, creates and renumbers new subparagraphs for clarity; clarifies language to make it Vermont specific; deletes an unnecessary Vermont Note; and corrects punctuation.

- 273.12a 2 Eliminates reference to optional procedures that Vermont does not use.
- 273.12a 3 Simplifies the language without changing the content of policy.
- 273.12a 4 Deletes language pertaining to federal food stamp options not chosen by Vermont.

Incorporates the content of the Vermont Note into policy.

273.12a 5 Revises the language to make it specific to Vermont without changing the content of policy.

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A public hearing was held on May 15, 2000, at 10:00 a.m., in the Skylight Conference Room, State Office Complex, Waterbury. No one attended.

The deadline for written comments was 4:30 p.m., on May 22, 2000. No one submitted written comments.

The rule was reviewed and approved by the Legislative Committee on Administrative Rules on June 14, 2000.

The content of this rule has not changed since the filing of the proposed rule on April 14, 2000.

Vertical lines in the left margin indicate significant changes. Dotted lines at the left indicate changes to clarify, rearrange, correct references, etc., without changing regulation content.

Manual Maintenance:

MANUAL HOLDERS: Please maintain manuals assigned to you as follows.

You will need both the proposed and the final bulletin to
Maintain your manuals

Remove		<u>Insert</u>	
273.12a 1	(98-4)	273.12a 1	(00-11)
273.12a 4 i	(98-4)	nothing	

Vermont Prevention, Assistance	POLICY	Food Stamps
Transition, and Health Access		
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273.12 <u>Reporting Changes</u>

a. <u>Household Responsibility To Report</u>

- 1. Certified households are required to report the following changes in circumstances:
 - i. Changes in the sources of earned or unearned income.
 - ii. Changes in the hourly earnings or salary rate, increases to 40 or more regularly scheduled hours of work per week, or decreases to fewer than 40 regularly scheduled hours of work per week.
 - iii. Changes in the amount of gross monthly unearned income of more than \$25, excluding changes in public assistance. Gross monthly income for this purpose is the combined unearned income of all household members.
 - iv. All changes in household composition, such as the addition or loss of a household member.
 - v. Changes in residence and the resulting change in shelter costs.
 - vi. The acquisition of a licensed vehicle not fully excludable under 273.8(e).
 - vii. When cash on hand, stocks, bonds, and money in a bank account or savings institution reach or exceed a total of \$2,000.
 - viii. Changes in the legally obligated child support paid by a household member for which the household receives an income deduction in accordance with 273.9 (d)(7).
- 2. Certified households shall report changes within 10 days of the date the change becomes known to the household.
- 3. An applying household shall report all changes related to its food stamp eligibility and benefits at the certification interview. If a reportable change identified in paragraph (a)(1) of this section occurs between the interview and the date of the notice of eligibility, the household shall report the change within 10 days of the date of the notice of eligibility.
- 4. The reporting requirements provided in this section constitute the only food stamp reporting requirements.